

# Capital Investment Planning Workshop

November 3, 2016

## Meeting Agenda

**Welcome and Introductions - 5 minutes**

**Discussion of Capital Investment Planning- 45 minutes**

- Past CIP process
- What are capital assets
- Components of capital investment planning
- Strategy and goals
- Options for managing capital assets and investments
- Next steps

**Discussion of Capital Investments in Fiscal Year 2017-2018  
(FY18) - 45 minutes**

- Review of current CIP projects

## Past CIP Process:

- Informal through 2010
- Capital Investment Plan initiated in 2011
  - Spreadsheet format
  - 25 year horizon
  - Investment focus w/o connection to assets
  - Limited debt (heavy use of reserves)
  - Variable savings / payment terms

## Types of Capital Assets:

- Land
- Buildings
- Non-Building Improvements
- Equipment
- Infrastructure
- Vehicles

## Areas of Investment:

- Acquisition (goods or services)
- Construction
- Significant Repair
- Engineering & Design

## Capital Asset Criteria:

- More than \$5,000
- Life expectancy of more than "x" years (2 minimum, 5 or more...)

## Inventory of Assets:

An inventory of capital assets can provide useful information for:

- Audit
- Insurance Purposes
- Planning
- Budgeting
- Goal of reliable information

## Project Identification:

- Staff, BCCs, Residents
- Engineering and professional services
- Goal of “likely” projects not absolutes

## Financial Planning:

- Estimating project costs
- Identification of funding sources
- Goal of “smoothing” expenditures year-to-year

## Ways to Pay:

- Grants & Donations
- Single-year expense (raised)
- Single-year expense (reserves)
- Multi-year (reserves)
- Multi-year (Lease)
- Multi-year (Debt Service)
- Tax Increment Financing
- Every option has pros and cons

## Project Scheduling / Implementation:

- Best if tied in with financial planning / budgeting
- Goal of “smoothing” impact on administration and residents

## Strategy:

- Capital investment planning needs to be about more than a really big spreadsheet!
- Consider a Capitalization Policy or Plan to support “the spreadsheet”
- Revise the CIP layout to include information relevant to all areas of relevance
- When budgeting use Inventory and Project Requests to develop 5-year CIP

## Strategy:

- Continuity between our accounting structure (Departmental and Reserve) and our CIP =
  - Accessibility
  - Transparency
  - Efficiency
- Better definition and intention behind the size and number of our reserve “buckets”

## Goals:

- We want our staff, BCCs , and residents to tell us what we need
- We want to save money for when we need it
- We want to be able to use the money we save
- We want to be efficient and cost effective
- We want to be fair in who pays for investments
- We need to be prepared for project priority and costs to change drastically

## Asset Management Options:

- Spreadsheet
- Capitalization Policy
- Capital Investment Plan
- Next steps in developing / refining a.....

## Current CIP Spreadsheet:

- What needs to go?
- What needs to be added?
- What should be funded in FY18?